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Before the COPYRIGHT ROYALTY JUDGES Washington, DC

| In the Matter of |) | Docket No. 16-CRB-0010-SD (2014-17) |
|--|-------------|-------------------------------------|
| Distribution of the 2014-17 Satellite Funds |))) | |

JOINT NOTICE OF FINAL ALLOCATION PHASE SETTLEMENT AND MOTION FOR FURTHER DISTRIBUTION OF 2015-17 SATELLITE ROYALTIES

The undersigned representatives of the Allocation Phase claimant categories adopted by the Judges for this proceeding ("Allocation Phase Parties") hereby provide notice that they have reached a final, confidential settlement of all Allocation Phase issues related to the 2015, 2016, and 2017 satellite royalty funds ("2015-17 Satellite Funds"). In light of the Allocation Phase Parties' settlement, there are no outstanding controversies remaining regarding the allocation of the 2015-17 Satellite Funds, however, some controversies remain unresolved in the Distribution Phase of the 2015-17 Satellite Funds as follows: (1) within the Program Suppliers category as to Multigroup Claimants ("MC")); (2) within the Joint Sports category as to MC; (3) within the Devotional category as to MC; and (4) within the Music category for 2016-17 as to Global Music Rights LLC ("GMR"). These remaining Distribution Phase controversies are limited, and the Allocation Phase Parties estimate that they collectively impact less than 5% of the 2015-17 Satellite Funds being held by the Licensing Division of the Copyright Office for each royalty year.²

¹ The Allocation Phase Parties previously notified the Judges of their settlement as to the 2015 satellite royalty fund on May 12, 2020. *See Joint Notice Of Settlement And Motion To Lift Stay* (May 12, 2020).

² As of July 31, 2021 the dollar amount of satellite royalties on deposit at the Copyright Office was \$25,522,492.00 for 2015, \$8,253,334.42 for 2016, and \$7,671,822.05 for 2017. *See Year*-

Accordingly, the Allocation Phase Parties request that the Judges reserve 5% of the 2015-17 Satellite Funds currently being held by the Copyright Office to address unresolved Distribution Phase controversies and distribute the remaining 95% of the 2015-17 Satellite Funds on deposit that are not in controversy to the Allocation Phase Parties pursuant to 17 U.S.C. § 801(b)(3)(A). The Allocation Phase Parties request that the distribution of royalties be made to their common agent, the Office of the Commissioner of Baseball ("Baseball"). Baseball has agreed to serve as the common agent for the distribution of royalties among the Allocation Phase Parties.

Retaining 5% of the 2015-17 Satellite Funds currently on deposit at the Copyright Office will be more than sufficient to satisfy all outstanding Distribution Phase controversies. The remaining 95% of the 2015-17 Satellite Funds are not in controversy following the Allocation Phase Parties' settlement and should be distributed to the parties. When the Judges determine that satellite royalties are not in controversy, the Copyright Act requires that they be distributed to the copyright owners entitled to receive them, or their designated agents. *See* 17 U.S.C. § 119(b)(5)(B). The Copyright Act also gives the Judges the discretion to distribute any portion of the royalties that are not in controversy "during the pendency of any proceeding." *See* 17 U.S.C. § 119(b)(5)(C). The Judges should exercise their discretion here and make the requested distribution.

Moreover, precedent supports a further distribution to the Allocation Phase Parties following the settlement of all allocation issues while some distribution issues remain unresolved. The Judges were faced with a very similar situation in 2012 when the Allocation Phase Parties reached a settlement of the 2004-2009 cable and satellite royalty funds that did not include Independent Producers Group ("IPG"), another name for MC. There, the Judges distributed the majority of the 2004-2009 cable and satellite royalty funds pursuant to 17 U.S.C. § 801(b)(3)(A)

Over-Year Growth In The Copyright Royalty Funds Report (As of July 31, 2021), available at https://www.copyright.gov/licensing/copyright-royalty-funds.pdf (last visited September 3, 2021).

while retaining a modest reserve of royalties (approximately \$3.3 million per cable royalty year, and \$2.1 million per satellite royalty year) to satisfy IPG's asserted Distribution Phase controversies in all program categories. *See Order on Motions for Distribution*, Docket Nos. 2007-3 CRB CD 2004-2005, 2008-4 CRB CD 2006, 2009-6 CRB CD 2007, 2010-6 CRB CD 2008, 2011-7 CRB CD 2009, 2010-2 CRB SD 2004-2007, 2010-7 CRB SD 2008, 2011-8 CRB SD 2009 at 4 (February 17, 2012).

Similarly, the 5% reserve of the funds on deposit recommended by the Allocation Phase Parties for each of the 2015-17 Satellite Funds will more than satisfy all unresolved Distribution Phase controversies. For example, the recommended 5% reserve far exceeds the dollar value of the royalty awards that MC received in litigation for the 2013 satellite royalty year. *See* 83 Fed. Reg. 61683, 61684 (Nov. 30, 2018) (MC was awarded a 2013 Program Suppliers category satellite share of 0.11%); 83 Fed. Reg. 38326 (Aug. 6, 2018) (MC was awarded a 2013 Devotional category satellite share of 2.3%); *see also Order Modifying Order Granting Multigroup Claimants' Third Motion For Final Distribution Of 2010-2013 Satellite Royalty Funds*, Docket No. 14-CRB-0011-SD (2010-13) at 2 (February 4, 2021) (showing the dollar amounts associated with these shares as calculated by the Licensing Division of the Copyright Office).

CONCLUSION

The Allocation Phase Parties respectfully request that the Judges retain 5% of the 2015-17 Satellite Funds on deposit at the Copyright Office to address unresolved Distribution Phase controversies, and distribute the remaining 95% of the 2015-17 Satellite Funds on deposit that are not in controversy to Baseball, the Allocation Phase Parties' common agent, pursuant to 17 U.S.C. § 801(b)(3)(A).

Respectfully submitted,

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Dated: September 15, 2021

Proof of Delivery

I hereby certify that on Wednesday, September 15, 2021, I provided a true and correct copy of the Joint Notice of Final Allocation Phase Settlement and Motion for Further Distribution of 2015-17 Satellite Royalties to the following:

Major League Soccer, L.L.C., represented by Edward S. Hammerman, served via ESERVICE at ted@copyrightroyalties.com

Global Music Rights, LLC, represented by Scott A Zebrak, served via ESERVICE at scott@oandzlaw.com

Multigroup Claimants, represented by Brian D Boydston, served via ESERVICE at brianb@ix.netcom.com

Signed: /s/ Michael E Kientzle